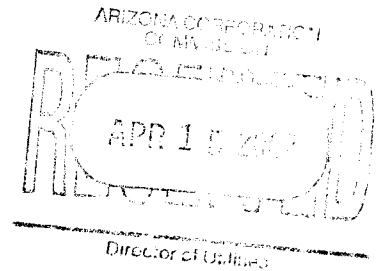


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

H

W-02128A  
HILLCREST WATER COMPANY  
915 E. BETHANY HOME RD.  
PHOENIX AZ 85014-



**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-17-02 cm

SCANNED

## COMPANY INFORMATION

Company Name (Business Name) HILLCREST WATER COMPANY

Mailing Address 915 E. BETHANY HOME ROAD  
(Street)

PHOENIX  
(City)

AZ  
(State)

85014  
(Zip)

602 265-5914  
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address SAME AS ABOVE  
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: BARBARA DUNLAP PRESIDENT  
(Name) (Title)

915 E. BETHANY HOME RD  
(Street)

PHOENIX  
(City)

AZ  
(State)

85014  
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: EILEEN THOMPSON  
(Name)

782 BAY VIEW DR  
(Street)

PARKER  
(City)

AZ  
(State)

85344  
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Statutory Agent: BARBARA DUNLAP  
(Name)

915 E. BETHANY HOME RD PHOENIX AZ 85014  
(Street) (City) (State) (Zip)

602 265-5914

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☒ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

HILLCREST WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7353	1518	5835
307	Wells and Springs			
311	Pumping Equipment	7655	7407	248
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	56102	8447	47655
331	Transmission and Distribution Mains	14455	14455	
333	Services	6800	6800	
334	Meters and Meter Installations	8598	8598	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1440	1440	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>		48665	

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

HILLCREST WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7353	10	729
307	Wells and Springs			
311	Pumping Equipment	7655	1.5	41
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	56102	4.0	2487
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			<b>4369</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME	HILLCREST WATER COMPANY
--------------	-------------------------

## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 7017	\$ 4725
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 7017	\$ 4725
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 95429	\$ 95429
103	Property Held for Future Use		41691
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	38434	
121	Non-Utility Property	6974	6974
122	Accumulated Depreciation – Non Utility	6974	6974
	<b>TOTAL FIXED ASSETS</b>	\$ 56995	\$ 53738
	<b>TOTAL ASSETS</b>	\$ 64013	\$ 58463

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME HILLCREST WATER COMPANY

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	746	
237	Accrued Interest	39771	39771
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 40517	\$ 39771
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 86662	\$ 86662
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 127179	\$ 126433
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 28000	\$ 28000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	<91166>	<95970>
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ <63166>	\$ <67970>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 64013	\$ 58463

COMPANY NAME HILLCREST WATER COMPANY

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 35694	\$ 37845
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 35694	\$ 37845
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water	210	106
615	Purchased Power	2708	2733
618	Chemicals		
620	Repairs and Maintenance	2216	2158
621	Office Supplies and Expense	2570	
630	Outside Services	11821	24784
635	Water Testing	699	
641	Rents		
650	Transportation Expenses		1161
657	Insurance – General Liability	2192	3870
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	1000	591
675	Miscellaneous Expense	508	630
403	Depreciation Expense	4369	3257
408	Taxes Other Than Income	8173	2292
408.11	Property Taxes	1265	
409	Income Tax	746	
	<b>TOTAL OPERATING EXPENSES</b>	\$ 32477	\$ 41582
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		845
427	Interest Expense		221
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$ 1066
	<b>NET INCOME/(LOSS)</b>	\$ 3217	\$ <4803>



COMPANY NAME HILLCREST WATER COMPANY

**SUPPLEMENTAL FINANCIAL DATA**  
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1993	1998	1999	
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 5591	\$ 47304	\$ 30000	\$
Amount Outstanding	\$ 5591	\$ 47304	\$ 30000	\$
Date of Maturity				
Interest Rate	8 1/2 %	8 1/2 %	8 1/2 %	
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 0

Meter Deposits Refunded During the Test Year \$ 0

COMPANY NAME HILLCREST WATER COMPANY

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
5	3	120	10 1/2	3

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
43001	1	85	1
50000	1		

## STATISTICAL INFORMATION

Total number of customers 180

Total number of gallons sold 7645 gallons

COMPANY NAME HILLCREST WATER COMPANY

YEAR ENDING 12/31/2001

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

N/A

State Taxable Income Reported  
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**\_\_\_\_\_  
**DATE**\_\_\_\_\_  
**PRINTED NAME**\_\_\_\_\_  
**TITLE**

COMPANY NAME HILLCREST WATER COMPANY YEAR ENDING 12/31/2001

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

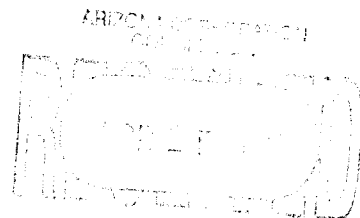
\$ NONE

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

PAID LATE - JAN 2002  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>LA PAZ</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>BARBARA DUNLAP</u>
COMPANY NAME	<u>HILLCREST WATER COMPANY</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

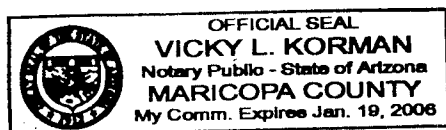
**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 40,137

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2,292  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Barbara Dunlap  
SIGNATURE OF OWNER OR OFFICIAL  
602 265 5914  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

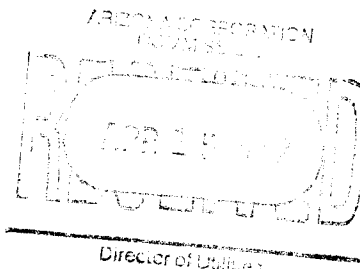
COUNTY NAME	<u>maricopa</u>
MONTH	<u>June</u>
	<u>2002</u>

(SEAL)

MY COMMISSION EXPIRES January 19, 2006

Vicky L. Korman  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>LAPEZ</u>	
NAME (OWNER OR OFFICIAL) <u>BARBARA DUNLAP</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>HILLCREST WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

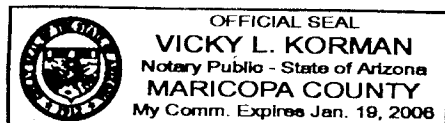
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>40,137</u>
---

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2,292  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.



X Barbara Dunlap  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>12th</u>
-------------

DAY OF

(SEAL)

MY COMMISSION EXPIRES

January 19, 2006

NOTARY PUBLIC NAME <u>Vicky L. Korman</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>2002</u>

X Vicky L. Korman  
SIGNATURE OF NOTARY PUBLIC